

American Recovery and Reinvestment Act of 2009

# **Energy Funding for California Energy Commission**

ALL-PARTY MEETING  
CPUC – San Francisco  
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Economic Stimulus Program  
California Energy Commission



# Topics

- Creation of Interagency Federal Energy Stimulus Team (FEST)
- American Recovery and Reinvestment Act (ARRA) Energy-Related Funds
- Energy Commission Administered Programs
- Non-Formula Funds
- Energy-Related Tax Credits & Financial Incentives for Energy Efficiency
- More Information



# Federal Energy Stimulus Team (FEST)

- California State agency team to coordinate response to ARRA energy opportunities
  - Governor's Office (lead)
  - Energy Commission
  - Department of Community Services and Development
  - Public Utilities Commission
  - Air Resources Board
  - California Environmental Protection Agency
  - Natural Resources Agency
  - Housing and Community Development Department



# ARRA Energy Appropriations

- Total of \$42 billion
  - \$11.3 billion in formula-based funding
    - Efficiency
    - Renewables
    - Green Community Plans
  - \$30.7 billion in competitive and direct grant, loan and loan guarantee funds
    - Transportation
    - Transmission
    - Renewables
    - Research



# ARRA Formula Energy Appropriations

- Total of \$11.3 billion in formula-based funding
  - \$3.1 billion State Energy Program
    - Energy Commission will receive \$226 million
  - \$3.2 billion Energy Efficiency and Conservation Block Grant Program
    - California local governments are expected to receive \$100s of millions
    - Energy Commission is expected receive \$56 million
  - \$300 million nationally for Energy Star Appliance Rebates
    - Energy Commission is expected to receive \$30 million
  - \$5 billion for Low Income Home Weatherization
    - Community Services and Development Department will receive about \$186 million



# State Energy Program

- Energy Commission is expected to receive \$226 million
  - Traditional State Energy Program appropriations to California \$1-3 million annually
- Types of activities allowed under State Energy Program
  - Implementing building, industrial and transportation energy efficiency programs
  - Expanding distributed generation, renewable energy and public education programs
  - Conducting any activity to improve energy efficiency, increase use of renewable energy or increase energy efficiency and economic development.



# State Energy Program

- Direction from ARRA
  - Expansion of existing energy efficiency programs
  - Expansion of existing programs, to support renewable energy projects and deployment activities,
  - Cooperation and joint activities between States
- Department of Energy guidelines released on March 12
  - Initial Application due March 23, 2009
  - Comprehensive application due May 12, 2009



# Energy Efficiency and Conservation Block Grant

- \$3.2 billion nationally
  - 68% to local governments (directly to cities > 35,000 and counties > 200,000 population)
  - 28% to state energy offices
  - 2% to tribes
  - 2% competitive grants
- California local governments are expected to receive \$100s of millions
- Energy Commission is expected to receive \$56 million





# Energy Efficiency and Conservation Block Grant

- Assist eligible entities in implementing energy efficiency and conservation strategies
  - to reduce pollution emissions from fossil fuels created as a result of activities within the jurisdictions of eligible entities;
  - to reduce total energy use; and
  - to improve energy efficiency in the transportation, building, and other appropriate sectors.



# Energy Efficiency and Conservation Block Grant

- Stakeholders should contact their local governments to get involved in planning EECBG funds in their city or county.
- The FEST will be working with stakeholders to plan funds for the State-administered Block Grant funds



# Energy Efficient Appliance Rebate Program and Energy Star Recovery Funding

- Authorized in Energy Policy Act of 2005
- \$300 million available nationwide
  - Estimated \$30 million to California Energy Commission
- Funding available to states with existing programs
- Provides rebates to residential consumers for purchase of Energy Star products to replace used appliances of the same type
- Rebates shall be used to supplement, not supplant existing funds



# ARRA non-Formula Energy Appropriations

- The Governor has declared that California will be the most competitive State in the nation in competing for ARRA funding
- Total of \$30.7 billion in competitive and direct grant, loan and loan guarantee funds
  - \$11 billion for Transmission
    - \$6.5 billion for new loan authority for Bonneville Power and Western Area Power Authority
    - \$4.5 billion for competitive smart grid demonstration projects
  - \$1.7 billion for Transportation
    - Clean Cities, Diesel Emissions Reductions, Electric Drive Vehicles



# ARRA Non-Formula Energy Appropriations

- Total of \$30.7 billion in competitive and direct grant, loan and loan guarantee funds
  - \$6 billion for Renewable Energy
    - Renewable Energy Loan Guarantees
  - \$8.4 billion for Research
    - Clean Fossil Energy, Energy Efficiency and Renewable Energy Research, Advanced Battery Research



# Energy-Related Tax Credits and Financial Incentives for Energy Efficiency

- Qualified Energy Conservation Bonds
  - Conservation bonds may be used for utility energy efficient property installed in commercial buildings (extends deduction by five years)
- Tax Credits for Energy Efficient Improvements to Existing Homes
  - Extends tax credit for energy-efficient existing homes through 2010
  - Increases cap on tax credit from 10% to 30% of the amount paid for a variety of qualified energy efficient improvements
- Extension of Credit for Energy Efficiency Improvements to New Homes
  - Extends tax credit to contractors of \$1,000 for homes meeting 30% efficiency standard, and \$2,000 for homes meeting a 50% standard through December 31, 2009.



# For more information:

Visit the Energy Commission's website at:

[www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)

